



Clark County Development News

Clark County Community Development

2007 Second Quarter



Richard H. Carson
director

Not exactly a slow summer

The big development news for the 2nd Quarter 2007 is the tentative approval of the county's Comprehensive Growth Management Plan. On July 5, the Board of Clark County Commissioners preliminarily approved the plan after a lengthy series of public hearings. The board will hold a work session on August 6 to hear a progress report on efforts to prepare for final formal action on proposed changes to the plan. The final adoption is currently expected for later this summer. View the "[Tentative Land Use Map](#)".

Speaking of comprehensive plans, lifting Urban Holding on lands designated in the 2004 comprehensive plan, did create the minor "land rush" that the media ballyhooed. Of the 22 pre-application submitted, 11 decided to move forward in the development process. The second quarter saw land division applications for almost 1,600 new single family dwelling lots. That's more than 70 percent of the lots that are proposed in a typical year. All of these lots are in just seven applications, so we are seeing some unusually big projects. View a listing of these projects in our [Development Projects Weekly Report](#).

This summer has also seen legislative changes in development codes. First, updates to the building and fire codes became effective July 1. One major change is that in Clark County all new construction will have to address radon issues through new construction methods. The board also adopted more than 50 biannual code changes. These are basically technical or minor policy corrections. For example, changes were made to make site grading and temporary uses easier to understand. View the [biannual code changes](#).

Finally, the Clark County construction sector has remained amazingly resilient when compared with development activity nationally. We are still experiencing growth in new development, but at a slower rate than we've seen in the last few years. The primary indicators such as building permits, people moving into the county and home sales all show a slower growth rate. For example in 2nd Quarter 2007, we issued 407 single family building permits. That's down 19 percent from 2nd Quarter 2006 (501) and down approximately 31 percent from the second quarter high marks set in 2005 (585) and 2004 (592). New home sales in June were also down sliding 21 percent from June of 2006.

Inside

Guest Contributor
Real Estate Sales
Activity

In-migration
Development Activity
Construction

Valuations
Land Division Lots

Major Projects

Other News Resources

Guest contributor



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Decoding the year in progress for Clark County real estate

Demand continues to outstrip supply and local properties fill up as industrial, office and retail markets experience falling vacancy rates. While this is normally a state to be wished for, tight markets do have a discouraging effect on new firms wishing to establish themselves or relocate to Clark County. As always, success is a double-edged sword. Let's look at each market separately.

Industrial. The Clark County industrial market is one of the tightest in the Portland-Vancouver Metropolitan Region, showing 4.41 percent vacancy at the midyear point. Typically, a new development cycle will begin as soon as vacancy dips below 10 percent, so we expect to see new industrial projects start construction soon. The reason why new construction hasn't commenced sooner may be owed to a couple of factors:

1. Lack of developable sites for industrial. County commissioners are currently working to expand the availability of developable land, so we are hopeful that some new industrial sites will be forthcoming.
2. Construction cost increases. Construction costs are rising across the board as the result of a worldwide building boom, and are not something that we can do much about locally. However, the combination of scarce sites and increased cost of construction does mean that there is a wide spread roughly 30 percent – between market rental rates and the rates required to justify new construction.

Office. Clark County's supply of office space is about 3.6 million square feet, currently showing 15.98 percent vacant, mirroring the region which is 15.85 percent vacant. Two important items to note in the office markets: the Class A market is only 12.29 percent vacant, and there are very few spaces over 10,000 square feet available. The vacancy rate means that we are close to needing more new product. The number of larger spaces available is important to our effort to attract firms from outside the area, as they are more likely to require a larger space. In order to gain significant cost savings, incoming tenants will need to build the space they need.

Retail. Retail development is a function of many things. Rising population and retail trends are two major indicators, and Clark County's growing population base speaks volumes to retailers who want to both locate new stores and see those sales grow over time. Retail vacancy is currently about 5.6 percent, but that figure alone does not tell the story. More important is a new realization among savvy retailers that Clark County residents will shop closer to home if they have a variety of quality stores, regardless of sales tax. Consumers can always avoid sales tax by shopping in Oregon, but the cost in time and gasoline quickly eats up the savings. The result is a new Best Buy, Fred Meyer, Kohl's, World Market, Macy's, as well as more Wal-Marts and Targets, all vying

Population factoids

The annual state population estimate from the Office of Financial Management was released in April. Clark County has grown to 415,000 people. That's a 2.9 percent increase from 2006. Other factoids:

- Clark County is the fifth largest county in Washington behind King, Pierce, Snohomish and Spokane.
- Vancouver is the fourth largest city in Washington behind Seattle, Tacoma and Spokane.
- Clark County has the fourth largest population in unincorporated areas behind King, Pierce and Snohomish.

Real Estate Sales Activity

The "Market Action" report from RMLS shows that at the end of the second quarter the average time a single-family dwelling is for sale in Clark County increased from 57 days in 2006 to 74 days in 2007. That's a 30 percent increase. In comparison, the average market time in the Portland metro area increased 41 percent, rising from 39 to 55 days.

During the same time period the average sales price in Clark County increased slightly, rising from \$312,300 to \$313,900. The most expensive homes were in Lake Oswego (\$517,100), North Washington County/Sauvie Island (\$385,000) and West Portland (\$379,100). The least expensive homes were in Central Vancouver (\$204,500).

"Late payments and new foreclosures on adjustable-rate mortgages made to people with spotty credit climbed to all-time highs in the first three months of the year. The first quarter's increase in new foreclosures was mostly driven by problems in California, Florida, Nevada and Arizona..." Associated Press 6-15-07

"The Portland-area median home price rose eight percent in May... continuing a trend of outperforming the national slumping housing market. In today's housing market, even high, single digit gains get attention, said Jerry Johnson, an economist with the Johnson Garder firm in Portland. 'We've been getting calls from the national media wondering why Portland is doing so well, why we're not dying,' Johnson said. *The Oregonian* 6-19-07



New home in Walnut Manor I

In-migration

June 2007 had the highest number of people moving into the county since the year 2000. The auto licensing folks reported that 1,250 out-of-state people surrendered their licenses in Clark County. That works out to about 500 new families that need homes, stores and schools. Two-thirds of these folks came from Oregonian (44 percent), California (16 percent) and Arizona (4 percent) and Florida (2 percent). One can only surmise that sunshine is vastly overrated as a reason to move somewhere.



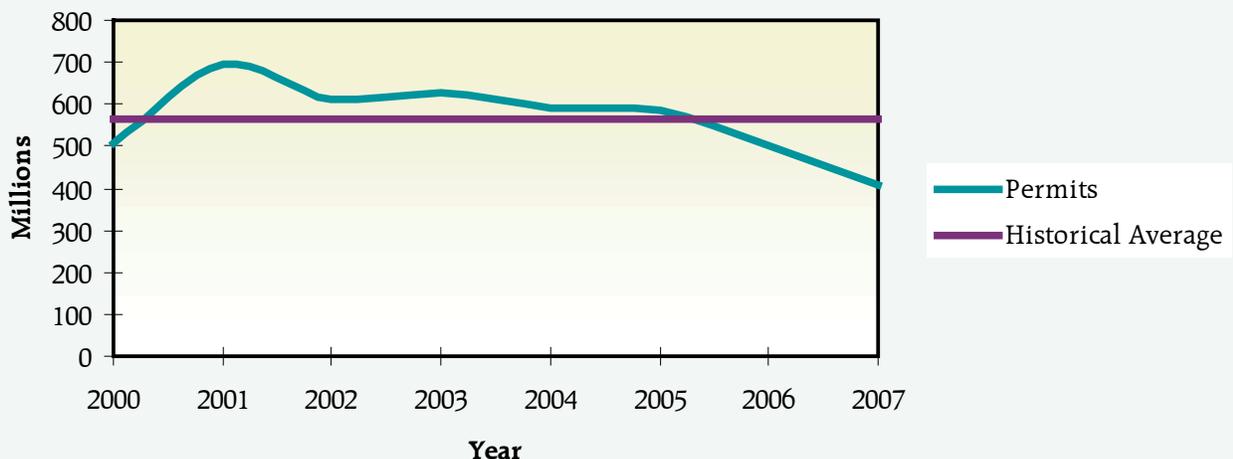
Site of the future Battle Ground K-8 school

Development Activity

SFR

In the second quarter of 2007, permits for single-family residences remained at their lowest level since 1987, totaling only 407. This represents a 19 percent reduction from the second quarter of 2006 when 501 permits were issued.

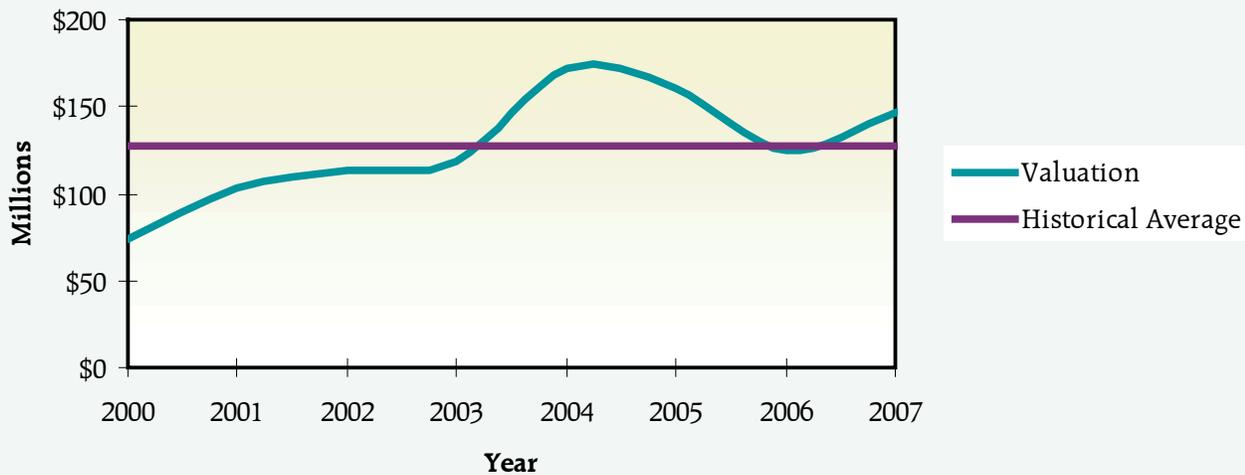
Q2 Single Family Residential Permits



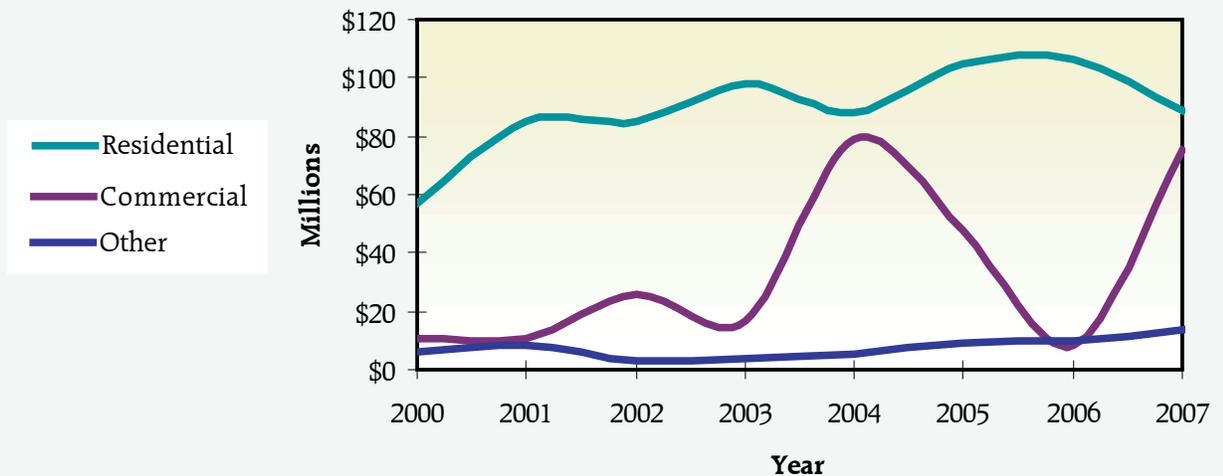
Construction Valuations

- In the second quarter of 2007, overall construction valuation totaled \$147 million. This is up 18 percent from 2006 when second quarter valuation totaled \$125 million.
- Second quarter construction valuation for commercial projects was \$75 million, an increase of 838 percent from 2006 (\$8 million) and the highest total since 2004. Commercial projects represented 51 percent of the total valuation for the second quarter of 2007.
- Residential construction valuation totaled \$89 million. This is a drop of 16 percent when compared to the second quarter of 2006 (\$106 million).

Q2 Construction Valuation



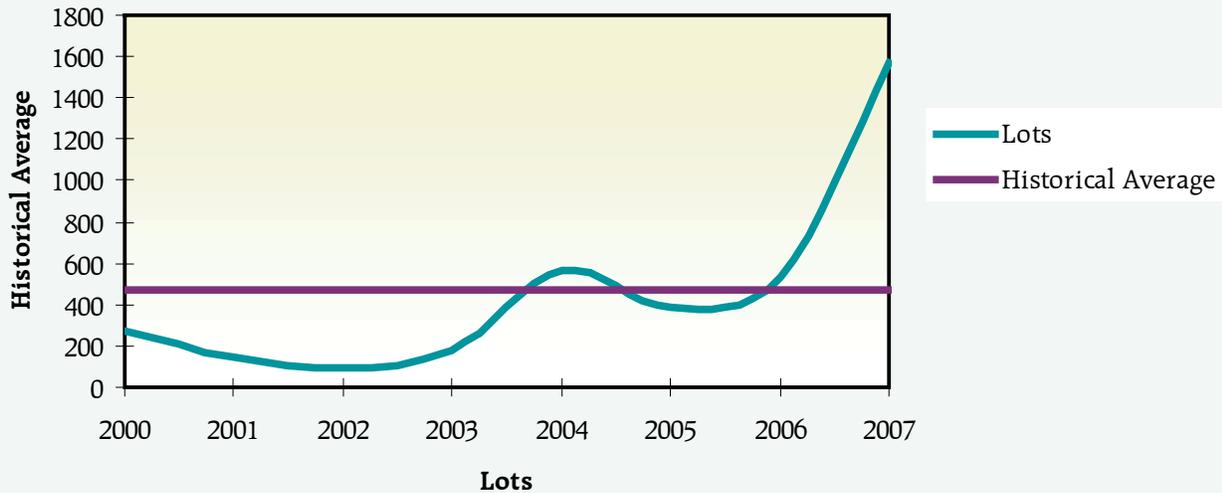
Construction Valuation Mix YTD



Land Division Lots

- Land division lots reached an all-time high in the second quarter of 2007, skyrocketing to 1,570. This represents an increase of 193% from the second quarter of 2006 (536 lots).

Q2 Land Divisions



Development Activity 2000-2007 YTD			
Year	Single Family Residence Permits	Construction Valuation (mil.)	Lots Created
2007 YTD	740	246	1817
2006	1551	469	2535
2005	2142	583	2173
2004	2106	533	2241
2003	2157	491	1941
2002	2112	412	1558
2001	2329	417	592
2000	1825	295	972

Major projects underway in Second Quarter 2007

Residential

West Park III PUD – 20 acres, 42 single-family lots (SFL)

Fraser Downs Subdivision – 20.82 acres, 74 SFL

Norwegian Hollow – 14.24 acres, 89 SFL

Glenwood Hollow Subdivision – 30.46 acres, 92 SFL

Shular Estates Subdivision – 24.5 acres, 131 SFL

University Village PUD – 13.81 acres, 136 SFL attached units

Hidden Gardens Subdivision – 36.63 acres, 155 SFL

Alderbrook Subdivision – 12.34 acres, 166 SFL

Jackie's Landing – 30 acres, 170 SFL

NE 119th Street PUD – 31.88 acres, 236 SFL, 29 townhouse lots

Rivendell – 55 acres, 278 SFL

Rock Creek Village – 19.75 acres, 156 townhouse lots, 192 Multi-family apartment units

Commercial

The Village at Old Trolley Square – 13.86 acres, mixed use community integrating retail, business offices, a church, and possible live-work housing units

Schools

Laurin Middle School Addition – new cafeteria

Other news you can use

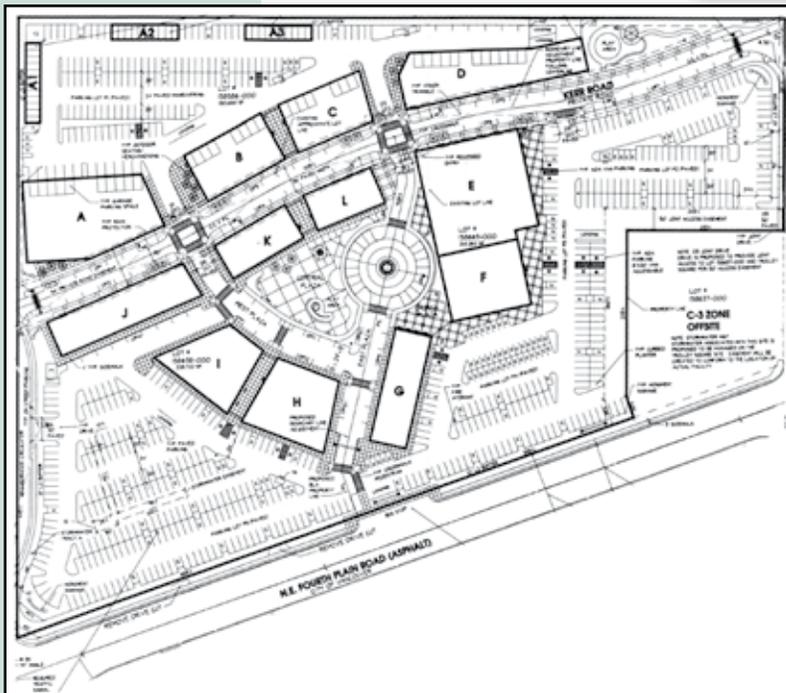
- [Comprehensive Plan update](#)
- [Clark County development trends](#)
- [Salmon Creek Area Development Moratorium](#)



DeFrees Office Building,
under construction

The Village at Old Trolley Square

Located at the corner of NE 131st Avenue and NE Fourth Plain Boulevard, The Village at Old Trolley Square is a four-phased, mixed use development that will construct 15 buildings totaling 353,360 square feet. The site, approximately 13.86-acres, will include commercial retail businesses, a church and related church facilities, residential condominiums and apartments, and parking structures.



continued from page 2

for the spending of our growing consumer base. Look for retailers to seek out the vacuum in coverage everywhere there is a commercial corner to be had.

Clark County commercial real estate markets are slightly out of balance today, especially in industrial and retail product types. Growth-anticipating new industrial development will be well received, as expanding firms begin to see the workforce and tax advantages of Washington over Oregon. Office growth downtown and in the East County is also a good bet as the service industries continue to grow.

Customer Service Grades 2007 YTD

Promptness of initial greeting	A-
Time spent waiting for service	B
Courtesy/personal attention	A-
Knowledge level of employees	A-
Efficiency of service provided	A-
Usability of information	B+
Overall service	B+

Grades based on customer service evaluations received in 2007.



Site of future I-5/99th Street Park and Ride



For an alternate format,
contact the Clark County
ADA Compliance Office.
Phone: (360) 397-2025
TTY: (360) 397-2445
E-mail: ADA@clark.wa.gov

Clark County Community Development

Public Service Center
1300 Franklin St.
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commdev@clark.wa.gov

Battle Ground Permit Center
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1808 SW 9th Ave., Suite 101
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